File No. File No. CI15-01-97928

THE QUEEN'S BENCH

Winnipeg Centre

IN THE MATTER OF: **THE APPOINTMENT OF A RECEIVER PURSUANT TO SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY ACT R.S.C. 1985, c. B-3 AS AMENDED**

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and –

5448124 MANITOBA LTD.

Respondent

SUPPLEMENTARY AFFIDAVIT OF DAVID MINOR
(SWORN OCTOBER 6, 2015)

FOGLER, RUBINOFF LLP
Lawyers
77 King Street West
Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, ON M5K 1G8

Joshua R. Freeman (LSUC# 55823J)
Gregory R. Azeff (LSUC# 45324C)
Tel: 416.864.9700
Fax: 416.941.8852

Lawyers for Applicant

THE QUEEN'S BENCH

Winnipeg Centre

IN THE MATTER OF: **THE APPOINTMENT OF A RECEIVER PURSUANT TO SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY ACT R.S.C. 1985, c. B-3 AS AMENDED**

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SUPPLEMENTARY AFFIDAVIT OF DAVID MINOR (SWORN OCTOBER 6, 2015)

I, DAVID MINOR, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS**:

1. I swear this Supplementary Affidavit further to the affidavit I previously swore in support of the Application by Cameron Stephens Financial Corporation ("**Cameron Stephens**") for an order, *inter alia*, appointing Grant Thornton Limited ("**GTL**") as receiver of all of the assets,

THE QUEEN'S BENCH

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1. I swear this Supplementary Affidavit further to the affidavit I previously swore in support of the Application by Cameron Stephens Financial Corporation ("**Cameron Stephens**") for an order, *inter alia*, appointing Grant Thornton Limited ("**GTL**") as receiver of all of the assets,

undertakings and properties of 5548124 Ontario Ltd. (the "**Debtor**"). As noted in my previous affidavit, I have personal knowledge of the matters at issue in these proceedings and, accordingly, of the matters to which I herein depose. Where the source of my information or belief is other than my own personal knowledge, I have identified the source and my basis for the information and believe it to be true.

2. In order to ensure prompt and efficient exchange of correspondence and information between Cameron Stephens and the Debtor, I asked that the lawyers for Cameron Stephens, Fogler, Rubinoff LLP, coordinate same and thus, all such communications flow through their offices. Accordingly, on October 1, 2015, Joshua R. Freeman of Fogler, Rubinoff LLP sent an email on behalf of Cameron Stephens to Russell Knight, principal of the Debtor, requesting that the Debtor provide the various information and documentation that had been requested by Cameron Stephens over the weeks leading up to these proceedings. To ease the Debtor's collection and provisioning of same, Mr. Freeman directed Mr. Knight to the emails contained at Exhibit X to my September 25, 2015 affidavit. Further, Mr. Freeman requested copies of written documentation that Mr. Knight suggested would substantiate the proposed purchaser under the Offer to Purchase Real Estate – Commercial dated September 17, 2015 (the "**APS**").

A copy of this email chain from October 1 and 2, 2015 is attached hereto and marked as **Exhibit "A"**.

3. On October 2, 2015, Cameron Stephens, through its lawyers, provided to the Debtor a comprehensive formal written request for documentation and information required by Cameron Stephens. A copy of the letter sent via email by Joshua R. Freeman of Fogler, Rubinoff LLP to the Debtor as part of the exchange contained in Exhibit A is attached hereto and marked as **Exhibit "B"**.

4. The Debtor has refused, failed and/or otherwise neglected to provide any substantive response to the multiple requests made by Cameron Stephens both before and after the first appearance in these proceedings on September 29, 2015.

5. The Debtor has refused, failed and/or otherwise neglected to provide its agreement and/or consent to the appointment of a receiver, monitor or consultant of or regarding the assets, undertakings and properties of the Debtor despite the repeated requests of Cameron Stephens for same. In particular, Cameron Stephens has received no response to the request by its lawyers for the Debtor's consent to and cooperation with its appointment of GTL as Consultant in accordance with the terms set out in the Engagement

Letter enclosed with Mr. Freeman's letter dated October 2, 2015 (see Exhibit B).

6. Neither the Debtor nor the proposed purchaser under the APS have remitted to Cameron Stephens the deposit in the amount of $100,000.00 payable to Cameron Stephens by September 30, 2015 pursuant to Section B on page 1 thereof (see Exhibit V at page 186 of my September 25, 2015 affidavit).

7. As of October 5, 2015, the Debtor was indebted to Cameron Stephens the aggregate amount of $9,468,976.42, full particulars of which are set out in the Mortgage Discharge Statement dated October 5, 2015 attached hereto and marked as **Exhibit "C"**.

8. I have reviewed the Affidavit of Russell Edward Knight sworn on October 2, 2015 and categorically and unequivocally deny the veracity of the contents of paragraph 20 thereof. In particular, I confirm that at no time was any *bona fide* offer made by Jeffrey Seddon, the representative of the proposed purchaser under the APS to make the payments outlined in this paragraph. Rather, there were only two short telephone conversations between myself and Mr. Seddon in which Cameron Stephens requested documentation from the proposed purchaser to support the credibility of the transaction contemplated under the APS and the proposed purchaser's ability to propose

same in accordance therewith. We have not received any documentation or information from the proposed purchaser, the Debtor, Mr. Seddon or Mr. Knight in response to these and other requests for such information.

9. I swear this Affidavit in support of the Applicant's request that an Order be granted under the *Bankruptcy & Insolvency Act* substantially in the form annexed as Schedule "A" to the Notice of Application, and for no other or improper purpose or delay.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on October 6th, 2015	
A Notary in and for the Province of Ontario	**DAVID MINOR**
Blair W.M. Bowen	

This is Exhibit "A" referred to in the Supplementary Affidavit of David Minor sworn October 6, 2015

A Notary in and for the Province of Ontario

Blair W.M. Bowen

Parker, Kate

From: Russ Knight <russknight51@gmail.com>
Sent: Friday, October 02, 2015 6:41 PM
To: Freeman, Joshua R.
Cc: JJ Burnell; Jeff Seddon
Subject: Re: 519 Burnell

Yes , myself and Jeff Seddon will contact you directly going forward . Thank you . Russ

On Oct 2, 2015, at 4:18 PM, Freeman, Joshua R. <jfreeman@foglers.com> wrote:

Please see the attached letter, which requires your urgent attention and a prompt response.

Joshua R. Freeman
Fogler, Rubinoff LLP
Direct: 416.864.7621

From: Freeman, Joshua R.
Sent: Thursday, October 01, 2015 4:27 PM
To: 'russknight51@gmail.com' <russknight51@gmail.com>
Cc: 'JJ Burnell' <JJBB@Aikins.com>
Subject: RE: 519 Burnell
Importance: High

Mr. Knight:

A copy of your email below has been forwarded to me by our client, so that I may respond to same on their behalf. Our client has asked that all correspondence between you, on behalf of the Debtor, and Cameron Stephens now flow through our offices. I trust that you will be respectful of this request and direct future emails and calls to me. For ease of reference, all of my contact information is listed below.

We look forward to receiving from you and/or Mr. Seddon written documentation to substantiate the sizable deposits and quick closing date described by you below.

In order to attempt to rebuild the trust of our client in you and your business, it was suggested by the Honourable Mr. Justice Dewar that you, on behalf of the Debtor, provide to Cameron Stephens any financial or other documentation requested by them. We are in the process of preparing a list of the information required from you at this time and hope to provide it to you tomorrow. However, in the interim, it would be of great assistance if you would please forward to us copies of all documents requested by Cameron Stephens in the correspondence recently exchanged between you and them, including in the emails annexed to the Affidavit of David Minor sworn Sept. 25/15 at Exhibit X.

Thank you kindly in advance.

fogler rubinoff

Joshua R. Freeman
Fogler, Rubinoff LLP
Lawyers
77 King Street West
Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, ON M5K 1G8

Direct: 416.864.7621
Main: 416.864.9700
Toll Free: 1.866.861.9700
Fax: 416.941.8852
Email: jfreeman@foglers.com
foglers.com

-----Original Message-----
From: Russ Knight [mailto:russknight51@gmail.com]
Sent: September-29-15 5:10 PM
To: David Minor <DMinor@cameronstephens.com>; Tim Ryder <TRyder@cameronstephens.com>; Scott Cameron <scott@cameronstephens.com>; Jeff Seddon <jeffseddon@hotmail.com>
Subject: 519 Burnell

The purpose of this email is to act in accordance with the Judge's recommendation in court today to try and build a bridge with Cameron Stephens keeping in mind our highest goal which is to pay out the total debt owed to Cameron Stephens under the mortgage asap .
The Purchaser , Jeff Seddon is in the process of completing the first purchase in a string of 6 purchases which will commence on Oct 1/15 being 1970 Ness Ave , the school . He has shown good faith in that he has invested in excess of $500,000 of upgrades already at the school in the last 3 weeks anticipating the formal closing on Oct 1/15.
The next property to be purchased is 519 Burnell evidenced by the offer that you have in your possession . Seddon is prepared to negotiate sizeable deposits and a quick closing date that he believes will satisfy you .
I request that you be open to his best efforts to satisfy you in the next few days and to peacefully work with us to conclude this sale , first for your benefit and second for mine . Yours truly : Russ knight

---

<L-Knight and Debtor (Oct 2 15).pdf>

This is Exhibit "B" referred to in the Supplementary Affidavit of David Minor sworn October 6, 2015

~~A~~ Notary in and for the Province of Ontario

Blair W.M. Bowen

Fogler, Rubinoff LLP
Lawyers

77 King Street West
Suite 3000, PO Box 95
TD Centre North Tower
Toronto, ON M5K 1G8
t: 416.864.9700 | f: 416.941.8852
foglers.com

fogler rubinoff

Reply To: Joshua R. Freeman
Direct Dial: 416.864.7621
E-mail: jfreeman@foglers.com
Our File No. 15/5288

October 2, 2015

VIA EMAIL TO RUSSKNIGHT51@GMAIL.COM

Russell Knight
624 Fairmont Road
Winnipeg, MB R3R 1B1

5448124 Manitoba Ltd.
c/o Russell Knight
624 Fairmont Road
Winnipeg, MB R3R 1B1

Dear Mr. Knight:

**Re: Cameron Stephens Financial Corporation v. 5448124 Manitoba Ltd.
Court File No. CI15-01-97928**

I write further to the email message that I sent to you yesterday at approximately 3:30 p.m. (central time), to which I have received no response. A copy of this email is enclosed with this letter for ease of reference.

Further to the recent requests made by Cameron Stephens Financial Corporation ("**Cameron Stephens**") for information and documentation from 5448124 Manitoba Ltd. (the "**Debtor**"), we provide the following comprehensive list of items of which delivery is both requested and required:

- Current Rent Roll for the building located at 519 Burnell Street, Winnipeg, MB (the "**Building**") inclusive of the following information:
  - currents tenant(s) under the lease for each unit at the Building;
  - current occupant(s) in each unit at the Building;
  - current payor(s) (parties making and/or obligated to make payments) for each unit at the Building;
  - monthly rent payable for each unit at the Building, together with its due date; and
  - current arrears owing on account of rent for each unit at the Building, together with date and amount of most recent payment, and description of any and all steps taken in order to attempt to collect rental arrears for each unit at the Building;

- Any and all correspondence and/or notices exchanged between the Debtor and the tenants and/or occupants or each unit at the Building that in any way relate to their tenancy at and/or occupation of any unit at the Building, the rent payable/owing on account of said unit and/or the arrears accumulating in respect to same;

- Copies of any and all correspondence, commitments, promises, memoranda, notes and/or other documents that contain or otherwise evidence the existence of any subsidies from government agencies and/or non-government organisations with respect to the tenants and/or occupants at the Building, including any that disclose the government's and/or NGO's intentions and/or obligations to pay or be responsible for, in whole or in part, the monthly rent payments for some or all of the tenants and/or occupants at the Building;

- Specific details and supporting documentation evidencing when, for what reason and/or on what basis the government and/or NGOs paying and/or responsible to pay for, in whole or in part, the monthly rent payments for some or all of the tenants and/or occupants at the Building ceased and information as to when and on what basis such payments may and/or shall be renewed;

- Detailed cash flow analysis by month (from February, 2015 to and including October, 2015), identifying sources and uses of cash and detailed analysis as to why there are and have been insufficient funds available to service the debt owing to Cameron Stephens and/or to make any payments at all on account of same since July, 2015;

- Detailed accounting of any and all funds received by the Debtor from the funds advanced by Cameron Stephens on April 27, 2015, including how they were utilised by the Debtor thereafter;

- Any and all documents evidencing the Debtor's ongoing repairs and maintenance to the Building from and after February, 2015, including copies of any and all invoices and proofs of payment for all related expenses, together with the contracts (current or pre-existing) in connection therewith, including any with a property management service provider;

- Any and all documents evidencing any and all payments on account of municipal property taxes from and after February, 2015, including any payments made upon receipt/collection of October, 2015 rents;

- Any and all documents evidencing any and all payments on account of utilities from and after February, 2015, including any payments made upon receipt/collection of October, 2015 rents;

- Any and all particulars and/or documents evidencing and/or in regard to any and all policies of insurance maintained by the Debtor currently or at any point from and after February, 2015, including the current status of same, payments made on account of same and compliance with the terms and conditions of same;

fogler rubinoff

- Any and all bank statements of the Borrower and/or such other bank statement that are in any way related to the Building and/or the property upon which it is situated from February, 2015 to present;

- Full particulars of and any and all documents evidencing or in any way connected to any and all payments/receipts of funds by the Debtor to/from any related or non-arm's length parties, including Russell Knight and/or Jeff Seddon, from February, 2015 to present, the reasons for same and the manner in which these funds were used, including documents evidencing same;

- Copies of any and all financial statements of the Debtor or any other party that is in any way connected to the Building and/or the property on which it is situated from and after February, 2015 – if none, the most recent financial statements prepared for each; and

- Full particulars of the current status of the transaction which forms the subject of the Offer to Purchase Real Estate Commercial dated September 17, 2015 between the Debtor and GTAC Investment Corp., including any and all funding commitments obtained by the purchaser or such further and other documentation that supports the financial ability of the proposed purchaser to complete the sale in accordance with the terms of the agreement or at all.

At this time, and in addition to previous requests by Cameron Stephens for same including my request at the conclusion of our court appearance on September 29, 2015, Cameron Stephens again asks for your consent to and cooperation with its appointment of Grant Thornton Limited as Consultant in accordance the terms set out in the enclosed Engagement Letter, edited only to remove reference to the existence of a Forbearance Agreement. I note that a copy of this same Engagement Letter was previously sent to you together with the proposed Forbearance Agreement on September 23, 2015.

We look forward to receiving your prompt response and thank you kindly in advance for same.

Yours very truly,

FOGLER, RUBINOFF LLP

Joshua R. Freeman
JRF/kp
Encls.

cc client

Freeman, Joshua R.

From: Freeman, Joshua R.
Sent: Thursday, October 01, 2015 4:27 PM
To: 'russknight51@gmail.com'
Cc: 'JJ Burnell'
Subject: RE: 519 Burnell

Importance: High

Mr. Knight:

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In order to attempt to rebuild the trust of our client in you and your business, it was suggested by the Honourable Mr. Justice Dewar that you, on behalf of the Debtor, provide to Cameron Stephens any financial or other documentation requested by them. We are in the process of preparing a list of the information required from you at this time and hope to provide it to you tomorrow. However, in the interim, it would be of great assistance if you would please forward to us copies of all documents requested by Cameron Stephens in the correspondence recently exchanged between you and them, including in the emails annexed to the Affidavit of David Minor sworn Sept. 25/15 at Exhibit X.

Thank you kindly in advance.

fogler rubinoff

Joshua R. Freeman
Fogler, Rubinoff LLP
Lawyers
77 King Street West
Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, ON M5K 1G8
Direct: 416.864.7621
Main: 416.864.9700
Toll Free: 1.866.861.9700
Fax: 416.941.8852
Email: jfreeman@foglers.com
foglers.com

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Sent: September-29-15 5:10 PM
To: David Minor <DMinor@cameronstephens.com>; Tim Ryder <TRyder@cameronstephens.com>; Scott Cameron <scott@cameronstephens.com>; Jeff Seddon <jeffseddon@hotmail.com>
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The next property to be purchased is 519 Burnell evidenced by the offer that you have in your possession .
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I request that you be open to his best efforts to satisfy you in the next few days and to peacefully work with us to conclude this sale , first for your benefit and second for mine . Yours truly : Russ knight

Cameron Stephens Financial Corporation

September 22, 2015

Grant Thornton Limited
11th Floor
200 King Street West, Box 11
Toronto, ON M5H 3T4

Attention: Michael G Creber, CPA, CA, CF, CIRP
Senior Vice President

Dear Sirs:

Re: 5448124 Manitoba Ltd.
(the "**Company**")

Russ Knight
Susannah Simes
(collectively, the "**Debtor Parties**")

5448124 Manitoba Ltd. (the "**Borrower**") is indebted to Cameron Stephens Financial Corporation (the "**Lender**").

The Debtor Parties have provided certain guarantees of the indebtedness, liabilities and obligations of the Company owing to the Lender.

~~The Lender and the Debtor Parties have entered into a forbearance agreement. Under terms of the forbearance agreement, Grant Thornton Limited ("GTL") is to be appointed as monitor (the "**Monitor**"). In that regards,~~

(a) The Company and each of the Debtor Parties hereby consents to the monitoring of its business and affairs by GTL, which shall include, without limitation, ongoing communications with representatives of GTL and the prompt provision of any information requested by GTL.

(b) The Company and each of the Debtor Parties further acknowledges and agrees that:

(i) GTL's monitoring role shall be on terms and conditions acceptable to the Lender and that any Professional Expenses incurred by GTL in such capacity shall be paid by the Company; and

(ii) GTL's role in monitoring the Company shall not prevent GTL from acting as a private or court-appointed interim receiver, receiver and manager, trustee in bankruptcy or monitor under the *Companies' Creditors Arrangement Act* of the Company.

(c) GTL shall be entitled to share any information it receives from the Company or the Debtor Parties with the Lender, and the Company and the Debtor Parties hereby consent to same.

The Company and the Debtor Parties have consented to your engagement effective as of the date hereof upon the terms and conditions set out herein and in Schedule A hereto, and the full co-operation of the management, officers, employees, professional advisors and agents of the Debtor Parties have been assured. In particular, it has been agreed by the Company and the Debtor Parties that:

1. You and your employees and agents shall have unrestricted access to the books, records, information (however stored), facilities, assets and premises of the Company and you may copy any documents or information.

2. The Company and their officers, employees and agents shall answer all inquiries fairly, fully and to the best of their ability and they shall provide you with any information that you may request with respect to the affairs of the Company.

3. The Company authorizes you to contact their professional advisors with whom, and to the extent, in your discretion, you deem appropriate in connection with your engagement herein.

4. The Lender acknowledges that your review will be based mainly on data supplied by the Company supplemented by your discussions with management thereof. The Lender understands that, although all information gathered will be reviewed for reasonableness, you will not be conducting an audit.

5. Your engagement hereunder shall not prejudice, impair or adversely affect the Lender's rights or remedies as against the Company or Debtor Parties or require the Lender to delay in enforcing same.

6. During the course of this engagement, you shall be acting as a Monitor for the Lender in this matter and you shall not be assuming any decision making or other management responsibilities in connection with the affairs of the Company and you shall have no responsibility for the affairs of or a duty of care to the Company or Debtor Parties during your engagement. In addition, you shall not do anything or perform any act pursuant to which you assume any possession or control of the property, assets, undertaking, premises or operations of the Company for any purpose whatsoever.

7. You shall be entitled to provide the Lender with copies of all documents, records, reports and information received or prepared by you in the course of this engagement and you may fully disclose to the Lender all matters arising out of your engagement hereunder.

8. Your fees will be determined on the basis of time spent at your firm's regular hourly rates for the level of staff employed. A Technology and Administrative fee of 5% of professional fees will also be charged. You will submit billings to the Lender showing details of fees and out-of-pocket expenses incurred.

9. The Company and Debtor Parties authorize the Lender to disclose to you any information the Lender has concerning the Company, their subsidiaries and affiliates and their respective businesses, assets and affairs.

10. You are authorized to use any of your employees or agents, including appraisers, as you consider necessary in the course of your engagement hereunder. If appraisals of any of the Company's assets are deemed necessary by the Lender, prior to obtaining any appraisals, you will first advise the Lender of the estimated cost of any such appraisal(s). You are not authorized to deliver a copy of any such appraisal to the Company without the prior written consent of the Lender.

11. Your professional fees and expenses incurred during the course of this engagement shall be for the account of the Company, although the Lender guarantees payment of all amounts due to you.

12. Throughout the course of your engagement, you will be reporting verbally to the Lender on a regular basis. You shall prepare a written report pursuant to this engagement at such times as may be agreed between you and the Lender. Prior to finalizing your written reports to the Lender, you may review the facts set out therein, but not any conclusions or recommendations, with one or more representatives of the Company.

13. The reports prepared by you shall be the property of the Lender and for the sole use of the Lender and shall not be distributed, shown or quoted from or to any person without the express written permission of the Lender.

14. We understand that you will advise the Lender immediately if any situation comes to your attention, which would materially alter the terms of your engagement.

15. You shall be required to keep confidential all information you obtain regarding the Company and its businesses, assets and affairs during the course of your engagement hereunder to the same extent as such duty of confidentiality applies to the Lender. Without limiting the generality of the foregoing, the Company specifically waives any duty of confidentiality which either you or the Lender may have with respect to any such confidential information obtained by you and delivered to the Lender in connection with your engagement hereunder. The Company and the Debtor Parties specifically authorize the Lender to divulge such information pursuant to any Court proceeding commenced by or to which the Lender is a party or in connection with the exercise of any of the Lender's remedies against the Company and the Debtor Parties including, without limitation, enforcing the security held by the Lender from the Company or to any potential assignee of the Lender's debt and security.

Please execute and return one original copy of this letter signifying your acceptance of the engagement described herein, subject to the terms and conditions set out above and in the attached Schedule A.

Yours very truly,

Cameron Stephens Financial Corporation

By:______________________________

Scott Cameron
President

For consideration received, the receipt and sufficiency of which are hereby irrevocably acknowledged, the undersigned hereby acknowledges, consents and agrees to the terms of this letter and the engagement of Grant Thornton Limited under the terms and conditions above and in the attached Schedules A. It is understood and agreed that notwithstanding this engagement, the remedies available to the Lender under the terms of its agreements with the Company and the Debtor Parties, including the security and guarantees held by the Lender, remain in full force and effect. None of the existing defaults of the Company and the Debtor Parties are waived and all rights and remedies of the Lender are reserved and preserved. It is agreed that all costs and expenses incurred by the Lender in relation to the Company and the Debtor Parties or this engagement of the Monitor, including legal fees and disbursements on a full indemnity basis, shall be for the account of the Company. It is specifically acknowledged that the engagement of the Monitor hereunder by the Lender is not an act of enforcement of security by the Lender and that the Company remains solely responsible for the management and operations of its business during the course of this engagement. It is further acknowledged that the Debtor Parties shall remain in sole and exclusive possession and control of its property, assets, undertaking and premises during the course of this engagement.

For the same consideration, notwithstanding the Lender's appointment of the Monitor, it is also understood and agreed that the Lender is not precluded from appointing Grant Thornton Limited as its Receiver, Receiver and Manager, or Agent for the purpose of realizing upon the Lender's security, if the Lender considers same necessary or appropriate. It is further understood that Grant Thornton Limited may, if necessary or desirable, accept any appointment contemplated by the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada) and that in the course of any such engagement, Grant Thornton Limited may use the information acquired by it as the Monitor hereunder.

5448124 Manitoba Ltd.

By: ______________________________

Name:
Title:

______________________________	______________________________
Witness	**Susannah Simes**
Print Name:	
______________________________	______________________________
Witness	**Russ Knight**
Print Name:____________________	

We hereby accept the terms of this monitoring engagement subject to the terms and conditions set out herein and in the attached Schedules A.

GRANT THORNTON LIMITED

Per: ______________________________

Michael G. Creber, Senior Vice-President

Grant Thornton

Schedule A

Standard terms and conditions

For the purpose of these standard terms and conditions, Grant Thornton LLP shall include its partners, principals, employees and associated entities in Canada.

1 **Timely performance** - Grant Thornton LLP will use all reasonable efforts to complete within any agreed upon time-frame the performance of the services described in the engagement letter to which these terms and conditions are attached. However, Grant Thornton LLP shall not be liable for failures or delays in performance that arise from causes beyond its control, including the untimely performance by the Debtor Parties of their obligations as set out in the engagement letter.

2 **Right to terminate services** - Should the Debtor Parties not fulfill their obligations set out herein or in the engagement letter or contract and in the absence of rectification by the Debtor Parties within 10 days, upon written notice Grant Thornton LLP may terminate its performance and will not be responsible for any loss, cost or expense resulting from such early termination.

3 **Governing law** - The engagement will be governed by the laws of Ontario and Cameron Stephens Financial Corporation (the "Agent") and Grant Thornton LLP submit to the exclusive jurisdiction of the Courts of Ontario.

4 **Working papers/reports** - All materials, reports and work created, developed or performed by Grant Thornton LLP during the course of the engagement shall belong to Grant Thornton LLP.

5 **Rights to deliverables** - Upon full payment, Grant Thornton LLP hereby assigns to the Agent all its right, title and interest including, without limitation, copyright and proprietary rights to the deliverables developed or prepared specifically for the Agent hereunder (deliverables). However, the deliverables may include data, modules, components, designs, utilities, subsets, objects, program listings, tools models, diagrams, analysis frameworks, leading practices and specifications (technical elements) owned or developed by Grant Thornton LLP prior to, or independently from, its engagement hereunder and Grant Thornton LLP retains all rights thereto including any modifications or improvements made to the technical elements during or as a result of this engagement. Accordingly, to the extent that any technical elements are integrated into any deliverables, Grant Thornton LLP hereby grants to the Agent a perpetual, worldwide, paid-up limited license to use such technical elements as integrated into such deliverables for internal purposes only. In addition, Grant Thornton LLP retains the right to use its knowledge, experience, and know-how, including processes, ideas, concepts and techniques developed in the course of performing the services.

6 **Release and indemnification** - The Agent agrees to release, indemnify, and hold harmless Grant Thornton LLP from any and all claims, liabilities, costs, and expenses arising out of or based upon: (a) any misstatement or omission in any material, information or representation supplied or approved by the Agent; or (b) any other matter related to or arising out of this engagement, except to the extent finally determined to have resulted from the negligence, willful misconduct or fraudulent behaviour of Grant Thornton LLP.

7 **Limitation of liability** - In any action, claim, loss or damage arising out of the engagement, the Agent agrees that Grant Thornton LLP's liability will be several and not joint and several and the Agent may only claim payment from Grant Thornton LLP of Grant Thornton LLP's proportionate share of the total liability based on degree of fault. In no event shall Grant Thornton LLP be liable to the Agent whether the claim be in tort, contract or otherwise, for an amount in excess of the professional fees paid by the Company of the Agent for the engagement. In no event shall Grant Thornton LLP be liable to the Agent, whether a claim be in tort, contract or otherwise for any consequential, indirect, lost profit or similar damages, or failure to realize expected savings, relating to Grant Thornton LLP's services provided under the engagement letter or contract to which these terms and conditions are attached.

In no event shall Grant Thornton LLP be liable for any claim made more than 24 months after the completion of services by Grant Thornton LLP under this agreement.

8 **Survival of terms** – The Agent and Grant Thornton LLP agree that clauses 6 and 7 will survive termination of the engagement contract.

9 **Independent contractor** - Grant Thornton LLP shall provide all services as an independent contractor and nothing in this agreement shall be construed to create a partnership, joint venture, or other similar relationship with the Debtor Parties or the Agent or any other party. Neither the Agent nor Grant Thornton LLP shall have the right, power or authority to obligate or bind the other in any manner.

10 **Representations and warranties** - Grant Thornton LLP warrants that the services which Grant Thornton LLP is providing will be performed in a professional and competent manner. Grant Thornton LLP makes no (other) warranties or conditions and explicitly disclaims all other warranties and conditions whether expressed or implied by law, usage of trade, course of dealing or otherwise.

This is Exhibit "C" referred to in the Supplementary Affidavit of David Minor sworn October 6, 2015

A Notary in and for the Province of Ontario

Blair W.M. Bowen

CAMERON STEPHENS | MORTGAGE CAPITAL LIMITED

25 Adelaide Street East Suite 600
Toronto, Ontario
Canada M5C 3A1
T: 416 591 8787
F: 416 591 9001

Date: October 5, 2015
Lender Solicitor: Fogler Rubinoff LLP

Mortgage Discharge Statement - for Demand Letter purposes

Loan No: 3366-81
Borrower(s): 5448124 Manitoba Ltd.
Property Address: 519 Burnell Street
Closing Date: October 5, 2015

Interest Rate:	3.75%	Principal & Interest:	$	9,368,126.42
Maturity Date:	May 1, 2030	Property Tax:		
Payment Frequency:	Monthly	Escrow:		
Next Payment Due:	August 1, 2015	**TOTAL PAYMENT:**	$	9,468,976.42

Principal Balance	$	9,306,457.02
Accrued Interest from Aug 1 2015 to October 4, 2015 (65 days)	$	61,669.40
NSF Fees	$	300.00
Discharge Fee	$	550.00
Loan Termination Costs	$	100,000.00
Total amount required in certified funds (1:00 p.m. October 5, 2015)	**$**	**9,468,976.42**

CONDITIONS

This statement is correct only if all payments have been made and honoured and is subject to the correction of any errors or omissions. Should this transaction not close prior to the next payment due date then this statement will be void and Cameron Stephens Mortgage Capital Ltd. will require the **November 1, 2015** payment made and a new statement requested.

Should the mortgage be in arrears, the "Principal Balance" will be as at the due date of the last paid installment. All taxes and other charges paid by us from the time of preparation to the closing date and not indicated on this statement, are the responsibility of the mortgagor.

Certified Funds received after 1:00pm of the proposed discharge date will be subject to an additional daily interest charge of **$948.76** until paid. If the proposed discharge date is on Friday, funds after 1:00pm will be subject to additional interest until the next business day.

It is the responsibility of your office to ensure that the appropriate discharge documents are prepared and forwarded to Cameron Stephens Mortgage Capital for execution. This includes any applicable PPSA discharge documentation.

This statement is valid up the last day of the current month of the expected payout date. Should the rate change prior to payout then this statement will be void and a new statement issued to reflect the change in the interest rate.

Yours truly,

Marco Amadasi
Funding Officer

Giuliana Mauro
Funding Manager

E&EO